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16 May 1988

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MEMORANDUM FOR: [REDACTED]

OIT Contracts Staff

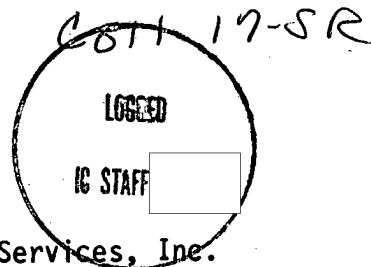
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FROM: [REDACTED]

Information Handling Committee, ICS

SUBJECT:

Request for Contract, Galaxy Computer Services, Inc.



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1. Request your assistance in contracting with Galaxy Computer Services, Inc. to provide the Intelligence Community Staff/Information Handling Committee staff with technical assistance in support of its crucial ongoing automated information systems (AIS) and network security activities, including the DCI-mandated annual production of the Intelligence Community AIS and network security threat assessment, followon countermeasures implementation, and the development of Community AIS security policy. [REDACTED]

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2. Assessment of the threat to Intelligence Community automated information systems and networks that process SCI and other sensitive intelligence information has been the driver of the DCI's COMPUSEC Project since its inception in early 1983. Per direction of the DCI in 1985, scheduled formulation and issuance of this threat assessment has been a principal responsibility of the DCI's Information Handling Committee staff, with input from acknowledged computer security experts and senior level executives from the USG/IC, private industry, and academia. Two such threat assessments have been produced and well-received since that time, and the third is about to be issued this Spring. [REDACTED]

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3. In continuance of this effort to provide the best information to the scheduled COMPUSEC Threat assessments and related activities, the IHC staff needs the expert individuals from Galaxy Computer Services, to participate in COMPUSEC action groups; these persons, who have participated in past and current DCI threat assessments, provide invaluable advice, private sector/academic perspectives, and necessary balance to the DCI's COMPUSEC efforts. Key personnel from Galaxy have the requisite knowledge and experience that newcomers to the study area would simply not possess. [REDACTED]

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SUBJECT: Request for Contract, Galaxy Computer Services, Inc.

4. Therefore, request that a time and materials contract for \$55,000 be provided for the services of Galaxy Computer Services, Inc.'s personnel from date of contract for a period of one year. A Statement of Work, Form 2420, Contract Data Classification Guide, and Sole Source Justification are attached. I appreciate your support in this contract matter. [REDACTED]

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Attachments:
As Stated

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STATEMENT OF WORK

Expert Technical Advice and Assistance in Automated Information Systems and Network Security

I. INTRODUCTION

This statement of work describes the government's requirements for expert technical advice and assistance in the area of automated information systems (AIS) and network security. Specifically, this work will include the formulation of the DCI's scheduled assessment and formulation of the threat posed to AIS and networks that process sensitive compartment information (SCI) and other information derived from sensitive intelligence sources and methods. Moreover, the government requires expert technical advice and assistance in the implementation of DCI security policies, procedures, and recommended countermeasures that are developed as a result of the scheduled threat assessments. []

II. BACKGROUND

The DCI's Computer Security (COMPUSEC) Project began in April 1983 and was intended to support the DCI in assessing the security of automated systems processing information derived from sensitive intelligence sources and methods, to identify the threats to automated information systems processing such materials, and to recommend actions for the DCI that will allow him to attest to the acceptability of operating risks. []

As mandated by the DCI in the January, 1985, Threat I transmittal memorandum, the Intelligence Community Staff/Information Handling Committee is responsible for developing and maintaining the Intelligence Community's scheduled assessments of the hostile intelligence services' (HUIS) and internal threats to US automated Intelligence Community systems and networks processing information derived from sensitive intelligence sources and methods. In addition to the regularly scheduled productions of the threat document, the Chairman, IHC, shall undertake or request special threat analyses when current problems or concerns so warrant. Representatives from throughout the Intelligence Community and selected senior executives from private industry and academia provide the latest information for the ongoing threat effort. []

III. DISCUSSION

The first two formulations of the threat were used in conjunction with security assessments of the Intelligence Community's automated SCI systems to recommend means to reduce the risks of processing intelligence information in such systems. Signed by the DCI in January, 1985, and January, 1987, the

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first and second DCI COMPUSEC threat documents (herein referred to as "Threat I" and "Threat II") also served to fulfill one of the DCI's continuing responsibilities under NSDD 145, with respect to the protection of sensitive intelligence sources and methods. Threat III, scheduled for publication in Spring 1988, has been expanded and enlarged to include distribution to, and to seek the assistance of, private industry in the development of countermeasures. [REDACTED]

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As a result of work accomplished in Threats I and II, the Community has modified the previous assessment that the greatest identified threat to IC automated information systems (AIS) and networks was from foreign intelligence services. New estimates, based on identified cases in Threats I and II, now show that the threat is, in fact, internal and domestic. As a result of this revelation, full-scale IC programs in internal auditing/accountability and access control/authentication were begun. [REDACTED]

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The two DCI COMPUSEC Threat Statements have given the Community a focus for assessing system vulnerabilities and developing COMPUSEC budgets to meet compliance requirements. In turn, these COMPUSEC Threat Statements have been the basis for the ICS's NFIP COMPUSEC budget priorities and program guidance, and have constituted the principal threat and vulnerabilities input to the NTISSC-developed Annual Evaluation of the Status of Telecommunications and Automated Information Systems Security in the US Government, submitted to the President, and to the annual National Assessment of the Hostile Intelligence Threat and US Countermeasures, as mandated by NSDD-2. Overall, these DCI Threat Assessments have had a substantial impact on the development and implementation of national COMPUSEC policy. The third DCI Threat Statement, to be published in Spring, 1988, continues this essential process. [REDACTED]

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In summary, the scheduled threat assessments will seek to satisfy the following requirements:

- o to develop the most "quantitative" computer security threat statement possible for use in assessing the current vulnerabilities of electronic, automated SCI-handling systems and in determining acceptable levels of operating risk;
- o to provide the background document for NFIB members in their development of secure computer systems, computer security programs and budgets for the current and subsequent years; and
- o to provide a "talking paper" for the Director and Deputy Director of Central Intelligence, and the Director and Deputy Director of the Intelligence Community Staff for use in describing the current vulnerabilities of, and threats to, electronic, automated SCI-handling systems to Congress. [REDACTED]

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IV. TASKS

In pursuit of these objectives, and in direct support of the IHC and its staff, the contractor shall, at the direction of the COTR, provide services including, but not limited to, those itemized below. Effort applied to tasks shall not exceed 800 cumulative hours. [REDACTED]

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a. Provide expert technical advice and assistance to the IHC and its staff related to automated information systems (AIS) and network security, including, but not limited to the Requirements Management System (RMS) and/or SAFE. [REDACTED]

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b. Provide technical support to the production of the scheduled DCI's assessment of the AIS threat to IC systems and networks. [REDACTED]

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c. Provide expert technical advice and support to threat follow-on activities including, but not limited to:

1. Production of special COMPUSEC threat analyses including, but not limited to, electronic/photonic implants, the software threat, "expert audit system" development to detect suspicious activities. [REDACTED]

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2. Clarification of the threat to personal computers in use in the Intelligence Community. [REDACTED]

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3. Establishing NFIP priorities for COMPUSEC programs. [REDACTED]

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4. Development of IC COMPUSEC awareness and training policies, procedures, and programs (approach and feasible scheduling). [REDACTED]

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d. Conduct continuous review of current technologies and events to remain abreast of rapid advances in computer and communications technology and changes in the HOIS threat. [REDACTED]

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e. Provide specialized technical support in the development of recommendations for technical countermeasures to identified threats and vulnerabilities. Evaluate private industry's proposed technical countermeasures and report to the IHC staff as appropriate. [REDACTED]

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f. Keep abreast of known or suspected hostile intelligence service (HOIS) capabilities and intentions for exploiting US intelligence systems and networks, identify vulnerabilities of these systems which might be the subject of HOIS exploitation, and recommend actions to be taken to implement effective countermeasures. [REDACTED]

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g. Identify Intelligence Community auditing responsibilities and guidelines for use of standard auditing procedures. []

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h. Provide technical advice and assistance in the implementation of DCI security policies and procedures as outlined in the revised DCID 1/16 and in the preparation of other DCI Directives. []

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i. Provide, as needed, assistance in preparation and delivery of senior level IC briefings. []

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j. Assist the IHC staff in the development and running of symposia and other technical conferences. []

V. DELIVERABLES

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The contractor shall provide a work plan, as required, at the commencement of each task designated by the COTR. The contractor shall provide a technical report at the conclusion of each task and include engineering reports, system concept white papers, evaluation analyses, and demonstrations, when applicable. The contractor shall provide monthly status reports which shall include contract financial and manpower status as well as a summary of the work performed in the previous month and planned activities for the current month. A final report shall be provided at the end of the contract to summarize all conclusions, analyses, and recommendations arising from accomplished tasks. It should be submitted in draft for sponsor review 30 days before final submission. The contractor shall provide briefings to the IHC and/or its staff, as required, on technologies and results of tasks accomplished. []

VI. SECURITY CLASSIFICATION

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The work to be performed under this contract will range from UNCLASSIFIED to TOP SECRET/SI/TK/GAMMA/BYECOM. The Statement of Work is classified SECRET/NOFORN, but Agency Association is UNCLASSIFIED. Contract personnel will require access to classified information, data, and documentation, and may provide classified documentation in the performance of this contract. Therefore, key personnel identified under this contract must hold current Agency approval at, or be clearable to, TOP SECRET/SI/TK/GAMMA/BYECOM. []

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The contractor may be required to store CIA SECRET material at the contractor's facility, depending on the task. Therefore, facility clearance must be obtained prior to storage of any classified material. All Agency regulations and procedures that relate to security management shall be adhered to by contractor personnel. In the event that the development of information or material is not clearly covered by the contract or regulation, the contractor is required to seek Agency guidance regarding its handling. []

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VII. PERIOD OF PERFORMANCE

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The contract shall be effective from date of contract for a period of one year. All initiated tasks and corresponding reports shall be completed and delivered within the specified contract period.

VIII. TRAVEL

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Eight (8) one-person, five-day trips from contractor facility in New Mexico to Washington, D.C., are required by this contract.

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REQUEST FOR PROCUREMENT SERVICES						(1) DOCUMENT NUMBER
OFFICE/DIV/BR ICS/IHC		PROJECT OR CONTRACT NUMBER [REDACTED]		DATE OF REQUEST 17 May 88		
(2) TRANS CODE 009	(3) SOC 2540	(4) EXPEND CODE J	(5) PROJECT NUMBER 8715-9820	(6) PROJECT TITLE		
(8) ORN 15900825401100		(9) REQUEST NUMBER 150288044		(7) AMOUNT \$55,000.00		I CERTIFY FUNDS ARE AVAILABLE DATE 3/17/88 SIGNATURE OF BUDGET OFFICER [REDACTED]
(10) CONTRACTOR (if known) Galaxy Computer Services, Inc		PROPOSAL NO. & DATE		CONTRACT & TASK ORDER NO. (if known)		
(11) TYPE OF SERVICE REQUIRED			APPLICABLE ONLY TO REPAIRS AND MODIFICATIONS			
1	RESEARCH/DEV	TRANSFER OF FUNDS TO OTHER GOVT. AGENCY (specify if applicable)		TECHNICAL INSPECTION IS REQUIRED BY		
2	RENTAL			<input type="checkbox"/> RECEIVING DEPOT T & I <input type="checkbox"/> TECHNICAL MONITOR		
3	REPAIR			<input type="checkbox"/> ITEMS TO BE PICKED UP OR <input type="checkbox"/> SERVICES PERFORMED AT:		
4	MAINTENANCE			ITEMS TO BE REDELIVERED TO:		
5	MODIFICATION					
	OTHER (specify) X Technical Support					
CLASSIFICATION AND STERILITY OF THE PROCUREMENT						
STERILITY		ASSOCIATION CLASS		WORK CLASSIFICATION		REPORTS CLASSIFICATION
X	SC 0	X	UNCLASSIFIED	UNCLASSIFIED	X	UNCLASSIFIED
	SC 1		CONFIDENTIAL	CONFIDENTIAL		CONFIDENTIAL
	SC 2		SECRET	SECRET		SECRET
	OTHER		TOP SECRET	X	TOP SECRET	X
AUTHORITY AND DURATION (see HHB 70-2)						
DESCRIPTION OF SERVICES REQUESTED/SCOPE OF WORK Request initiation of a contract with Galaxy Computer Services, Inc. for technical support services for \$55,000.00 commencing date of contract signature for a period of one year. (See reverse for specific information required on requests.)						
APPROVAL						
DESIGNATION		SIGNATURE			DATE	
DD/ICS		[REDACTED]			18/5/88	
PROCUREMENT USE						
DATE RECEIVED		RECORDED BY		ASSIGNED TO		NEGOTIATOR

FORM 5-86 2420 OBSOLETE PREVIOUS EDITIONS

(5-12-38)

UNCLASSIFIED

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION
INVOLVING A NON COMPETITIVE PROCUREMENT

1. Contract Component: Intelligence Community Staff (ICS)
Intelligence Information Handling Committee (IHC)
[redacted] Chariman

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2. Nature and/or description of the action being approved.

Contract is for expert technical advice and assistance in automated information systems and network security, including the DCI-mandated annual assessment of the AIS and network threat in the Intelligence Community and DCI policy directives formulation.

3. Description of supplies or services requested to meet Agency's needs (including the estimated value).

The contract requires 800 hours of technical services with an estimated cost of \$55K.

4. Identification of the regulatory authority permitting other than full and open competition.

FAR number: 6.302-1

Title of Exception: Only one responsible source

5. Define the proposed contractor's unique qualification or the nature of the acquisition that requires use of the authority cited.

Galaxy Computer Services, Inc. is the only firm with the appropriate corporate blend of Intelligence Community background, experience, and personnel qualifications needed to provide the requisite technical support specified in the SOW. Having participated with a major role in the formulations of the current and past DCI computer security threat assessments and the development of the newly-revised DCID 1/16 concerned with computer security policy for the Intelligence Community, Galaxy personnel have first hand knowledge of specific AIS and network threat assessment methodologies, coupled with a comprehensive experience with the various elements in the Intelligence Community, gained while working closely with IHC staff members during the two year development and completion of the DCI threat documents and DCID 1/16.

Over the past several years in direct support of the ICS/IHC, Galaxy personnel have been intimately involved in providing expert technical support to the IHC and its staff in the area of automated information systems (AIS) and network security, including such specifics as invaluable technical

All portions of this document
are UNCLASSIFIED

critiques of auditing/accountability expert systems and access control/authentication devices. In addition, the specific talents of key Galaxy personnel have been focused on AIS and network security policy formulation, as seen in the newly-revised DCID 1/16 that was sponsored by the IHC.

In all of these activities, the Corporation has consistently displayed a unique corporate understanding of AIS and network technical security and policy considerations as they apply to key Community activities and IC Staff requirements. The tasks specified for the FY 1988-89 activities are logical and necessary extensions of past work performed by Galaxy personnel. Galaxy is uniquely qualified to fulfill the program objectives in a timely manner. The requisite blend of Galaxy personnel's experience, technical skills, expertise, and first hand Intelligence Community experience can only be found at Galaxy Computer Services, Inc.

6. A description of efforts made to ensure the offers are solicited from as many potential sources as practicable.

No inquiries were made to any other company. ICS/IHC is familiar with the corporate expertise and current experience possessed by Galaxy, which is unique and directly applicable to the required tasks. There is no question as to the best source for price and delivery of quality technical services of this specific nature.

7. A description of the market survey conducted (see FAR 7.101) and the results or a statement of the reasons a market survey was not conducted.

None, see number 6 for explanation.

8. Any other facts supporting the use of other than full and open competition, such as: (i) explanation of why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition have not been developed or are not available; (ii) when 6.302-1 is cited for follow-on acquisitions as described in 6.302-1(b) (2), an estimate of the cost that would be duplicated and how the estimate was derived; and (iii) when 6.302-2 is cited, data, estimated cost or other rationale as to the extent and nature of the harm to the government.

The methodology for developing the DCI's annual assessment of the threat to the Intelligence Community's automated information systems (AIS) and networks is an evolutionary process that has taken place over a period of years. In our attempt to quantify and qualify the threat and to gain Community-wide consensus and continuity of the nature of the threat over time, we have nominated and exhausted many ideas and discarded many methodologies. Throughout this process, the individuals from Galaxy have been intimately involved--a knowledge and expertise base of technical approaches that cannot be duplicated by another firm. To maintain program momentum, Galaxy is the

only choice because they are familiar with the past activities, acquainted with the other people involved, and apprised of methodologies tried and discarded. Contracting with a firm other than Galaxy Computer Services, Inc. would not be in the best interests of the government, and indeed, would cause harm.

9. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition.

None.

10. A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the supplies or services required.

None.

I hereby certify the accuracy and completeness of this justification for other than full and open competition as indicated on this form and any attached sheets and the anticipated cost to the Government will be fair and reasonable.

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SIGNATURES FOR CERTIFICATION

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COGNIZANT REQUIREMENTS OFFICER:



Signature
(Required for all actions)

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SUPERVISOR OF COGNIZANT:



~~(Required for all actions)~~

CONTRACTING OFFICER:

Signature
(Required for all actions)

LEVEL ABOVE CONTRACTING OFFICER:

Signature
(Over \$25,000 to \$500,000)

COMPETITION ADVOCATE CHAIRMAN
AGENCY CONTRACT REVIEW BOARD:

(Over \$500,000 to \$10,000,000)

SENIOR PROCUREMENT EXECUTIVE
FOR CICA APPROVAL ONLY - DEPUTY
DIRECTOR FOR ADMINISTRATION:

Signature
(Over \$10,000,000)

Contract Data Classification Guide

Unclassified

Confidential

Secret

Top Secret

Contractor Galaxy Computer Services, Inc. Contract No. _____
 Classifier's Employee No. _____ Date May 1988

Contract Data Classification Guide

Item (as applicable)	Maximum Classification	Source, Term, and Reason (as necessary)
Association *	_____	_____
Government-Furnished Data and Hardware	_____	_____
A. Statement of Work	<u>S/NF</u>	_____
B. Technical Information (includes oral discussions)	<u>TS/SI/TK/G/BYE</u>	<u>IPM</u>
C. Specifications	<u>TS/SI/TK/G/BYE</u>	<u>IPM</u>
D. Drawings and Graphics	<u>TS/SI/TK/G/BYE</u>	<u>IPM</u>
E. Computer Software	_____	_____
F. Communications Security (COMSEC) Material	_____	_____
G. Government-Furnished Equipment (includes hardware from prior contract)	_____	_____
H. Other—identify on attached sheet	_____	_____
Contractor-Produced Data and Hardware	_____	_____
A. Reports (as identified in contract)	_____	_____
1. Monthly or Preliminary Technical	<u>TS/SI/TK</u>	<u>IPM</u>
2. Quarterly or Interim	<u>TS/SI/TK</u>	<u>IPM</u>
3. Final	_____	_____
4. Contract Status	<u>UNCLASSIFIED</u>	_____
B. Manuals	_____	_____
C. Drawings and Graphics	_____	_____
D. Computer Software	<u>UNCLASSIFIED</u>	_____
E. Test Data, Computer Printouts	_____	_____
F. Hardware	_____	_____
1. Component	_____	_____
2. Subsystem	_____	_____
3. Breadboard	_____	_____
4. Prototype or Engineering Model	_____	_____
5. System or Finished Product	_____	_____
G. Other—identify on attached sheet	_____	_____

Statement of the Critical Security Elements of Procurement (excluding association):

* If this item is completed, this form must itself be classified when the contractor's name is added.

Declassify or

Review after

Classification when completed

Unclassified

Confidential

Secret

Top Secret